

December 3, 2024 – presented for 1<sup>st</sup> reading

2024-69

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**2024-69 (1<sup>ST</sup> READING): TO AMEND THE CODE OF ORDINANCES, CITY OF MYRTLE BEACH, APPENDIX A ZONING ARTICLE 18 OVERLAY ZONES TO ADD NEW SECTION 1808 SHORT TERM RENTAL CONVERSION OVERLAY ZONE FOR COMMERCIAL DISTRICTS EAST OF KINGS HIGHWAY PREVENTING CONVERSION OF SHORT-TERM RENTAL USE TO LONG-TERM RENTAL USE**

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**Applicant/Purpose:** Staff / to amend Appendix A, Article 18 Overlay Zones to add new section 1808 Short Term Rental Conversion Overlay Zone for commercial districts east of Kings Highway.

**Brief:**

- Ordinance 2024-27, passed on 4.9.24, approved a moratorium on short-term rental properties being converted to long-term rentals in areas east of Kings Hwy.
- After the passing of this temporary moratorium the City contracted with Arnet Muldrow to analyze the economic impact of conversions of short-term rental properties into long-term rentals.
- The study concluded there was a significant financial impact to the City, County, and State with these conversions.
- The proposed ordinance prevents conversion of short-term rental use to long-term rental use for any unit:
  - in a building of more than 2 units
  - between Kings Hwy and the Atlantic Ocean
  - constructed for, or ever used for, short-term rental.
- Planning Commission (11.19.24) recommends approval (8/0):
  - finding the amendment is consistent with the Land Use and Economic Development Elements of the Comprehensive Plan. This area was always intended to be primarily used for short-term rentals, which are essential to our local economy.

**Issues:**

- The study analyzed conversion impacts on revenues from State and Local Accommodations Tax, Hospitality Fee, and Business License Fee. The study concludes that the lost revenue, for every 1,000 units converted from short-term rental to long-term rental:
  - The City of Myrtle Beach = \$2.48 Million
  - Horry County = \$1.19 Million
  - State of South Carolina = \$3.94 Million
- The study further estimates a loss of 48 jobs for every 1,000 units converted.
- In addition to revenue impacts, the study also analyzed cost of service, specifically public safety calls.
  - Police response to a long-term rental unit costs 93% more than response to a short-term rental unit.
  - Fire response time spent at a long-term rental unit is 28.7% longer than response time spent at a short-term rental unit.

**Public Notification:** Legal ad ran in The MB Herald 11.8.24. Agenda published and posted 11.15.24.

**Alternatives:** Amend or deny the proposed ordinance.

**Financial Impact:** See above

**Manager's Recommendation:**

- I recommend 1<sup>st</sup> reading (12.3.24)

**Attachment(s):** proposed ordinance

## ORDINANCE 2024-69

CITY OF MYRTLE BEACH  
COUNTY OF HORRY  
STATE OF SOUTH CAROLINA

TO AMEND THE CODE OF ORDINANCES, CITY OF MYRTLE BEACH, APPENDIX A ZONING ARTICLE 18 OVERLAY ZONES TO ADD NEW SECTION 1808 SHORT TERM RENTAL CONVERSION OVERLAY ZONE FOR COMMERCIAL DISTRICTS EAST OF KINGS HIGHWAY PREVENTING CONVERSION OF SHORT-TERM RENTAL USE TO LONG-TERM RENTAL USE

IT IS HEREBY ORDAINED that the City of Myrtle Beach Code of Ordinances, Appendix A Zoning, Article 18 Overlay Zones is hereby amended to add new Section 1808 as follows:

Section 1808. Short-Term Rental Conversion (STRC) Overlay Zone

1808.A Purpose: To sustain the economic vitality of the Myrtle Beach oceanfront by preserving and enhancing tourist accommodations between Kings Highway and the Atlantic Ocean.

1808.B Conversion Prohibited: No building or structure consisting of more than two (2) units, including each unit within such building or structure, that was constructed or used as a Visitor Accommodation, commonly known as short term rental, may be used for rental or lease for ninety (90) continuous days or more. It shall be a violation of this prohibition to enter into successive leases or rental agreements, each for less than ninety (90) days, for the purpose of allowing an occupant to remain for more than ninety (90) continuous days.

1808.C Location: This section applies to all commercial uses listed in City of Myrtle Beach Code of Ordinances, Appendix A Zoning, Article 14, Section 1407.C located between Kings Highway and the Atlantic Ocean within the municipal limits.

This ordinance will take effect upon second reading.

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BRENDA BETHUNE, MAYOR

ATTEST:

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JENNIFER ADKINS, CITY CLERK

1<sup>st</sup> Reading: 12-3-2024

2<sup>nd</sup> Reading